

**Questions Related to Request for Proposal (RFP) #HP632209, Maricopa County Managed Behavioral Health Care**

<b>Question Number/RFP Section/Page</b>	<b>Question</b>	<b>Subject</b>
<b>Solicitation Amendment #2</b>		
<b>Question 208</b> Amendment #2, page 2, posted 2-6-07	<p>The Amendment states "The Uniform Instructions are hereby incorporated into this Solicitation Amendment (please see attachment)" We did not see the attachment of the Uniform Instructions, could the State please clarify?</p> <p><u><b>The Uniform Instructions have now been added to Solicitation Amendment #2. as of February 23, 2007.</b></u></p>	<b>Solicitation Amendment #2</b>
<b>Question 209</b> Amendment #2, page 5, posted 2-6-07	<p>When is the amendment not an amendment and is for clarification only? See amendment #2 page 5 first question and answer -is this only a clarification since there is no strike and replace.</p> <p><u><b>Solicitation amendments issued serve as the Department's official notification of changes, corrections, and edits to the RFP document, per page 198 of 277 of the RFP document, # 14. "Solicitation Amendment". All other communication, for example weekly question and answer documents, provide the vendor community with an opportunity to have questions answered in an informal and expeditious manner, instead of issuing a solicitation amendment weekly. All answers in response to questions that make changes to the RFP document are incorporated into bi-weekly solicitation amendments. Please see the ADHS website for past solicitation amendments and weekly question and answer documents.</b></u></p>	<b>Solicitation Amendment #2</b>
<b>Question 210</b> Amendment#2, page 2, posted 2-6-07	<p>Per amendment #2, does the evaluation criteria on page 2, section g. relate to section A. Admin, Organization and Experience of the proposal content section and if so, what is the criteria for section b through j? Or is this criteria listed under A also used for sections b through j? If it is only for section A, how is the Offeror supposed to respond to proposal section A?</p> <p><u><b>Criteria listed under A will also be used for sections B through J.</b></u></p>	<b>Solicitation Amendment #2</b>

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**Scope of Work: C. Covered Behavioral Health Services and Managed Care Delivery**

<p><b>Question 211</b> Section I –Administrative Structure and Organization page 121 - 132</p>	<p>Please describe the State's expectations and roles of the existing vendor in the transition. Please describe if the state expects the new vendor to hire the current vendor's (RBHA) staff and for how long; whether the new vendor will have access to the current vendor's records including staff and client information both electronic and hard copies; whether the state will require a transition plan from the outgoing vendor; and how the existing vendor is expected to cooperate with the new vendor.</p> <p><b><u>See the answer to Question 174.</u></b></p>	<p><b>Scope of Work</b></p>
<p><b>Question 212</b> Scope of Work, C.9.a. paragraph 2, pg. 55 and Question 146 stated posted on your website February 9, 2007</p>	<p>Question 146 stated posted on your website February 9, 2007, stated the following:</p> <p>“,,,If all PNOs do not serve all populations, transition of children into child-serving PNOs (from qualified service providers) must <b>occur within 36 months</b> and must be detailed in the Network Transition Plan.”</p> <p>On page 55 of the Scope of Work, C.9.a. paragraph 2 states:</p> <p><b>As of the Contract Start Date</b>, the Contractor shall subcontract with at least three (3) and no more than four (4) Children's PNOs in accordance with the overall PNO structure as described in the Network Development section of this Contract.</p> <p>Would the State please clarify the inconsistency? <b><u>See the Network Transition section of the solicitation. There are three stages of Network Transition:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. as of the Contract Start Date, subcontract with at least 3 and no more than 4 Children's PNOs;</u></b></li> <li><b><u>2. the transition of the SMI Direct Care Clinics to PNOs in accordance with Scope of Work D. Network Development 3. Network Transition;</u></b></li> <li><b><u>3. within 36 months of the Contract Start Date, the inclusion of providers delivering services to GMH/SA recipients into the SMI PNOs so the PNO serves all adult populations; and</u></b></li> <li><b><u>4. within 36 months of the Contract Start Date, PNOs that serve all populations, i.e. children and adults (SMI, GMH, SA).</u></b></li> </ol> <p><b><u>It is the intent of ADHS that population-specific PNOs be replaced by PNOs that serve all populations within 36 months of the Contract Start Date.</u></b></p>	<p><b>Scope of Work</b></p>
<p><b>Question 213</b> Scope of Work, M.3. page 160, regarding question 165 posted on your website February 9, 2007</p>	<p>Your response stated that the contractor must encounter 87.875% of service revenue (95% of 92.5% of service revenue). If service expense target is 88.8% of service revenue and providers are required to encounter only 95%, then the contractor maximum potential encounter equals 95% of 88.8% , or 84.4% of service revenue. Please clarify this discrepancy.</p> <p><b><u>The potential offeror is advised to recognize the difference between service revenue and service expenses.</u></b></p>	<p><b>Scope of Work</b></p>

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**Question 214**

Scope of Work, M.5. and M.8., page 166, referencing question 164 posted on your website February 9, 2007

The low end of the target service expense equals 88.8% (page 166). The administrative cost percentage equals 7.5% (page 166). The maximum profit equals 4.0% (page 163). Taken together, these percentages add up to 100.3% of total revenue. Please clarify.

**See page 161. Profit and loss corridors are 4% of service revenue.**

**Scope of Work**

**Financial Calculations**

**Question 215**

**Financial Reporting Guide**

**Follow up to ADHS Question 164-168**

An updated version of the Financial Reporting Guide was published on 2/12/07. On page 16 of the guide, it is noted that for Maricopa county Total Service Expenses divided by Total Revenue shall be no less than 88.8% and no more than 96.2% for Title XIX and Title XXI and no less than 88.8% for Non-Title XIX/XXI. On page 157 of the RFP, the profit consideration in the profit/risk corridor schedules contained on pages 55-58 of the Financial Reporting Guide, the profit corridor is notes at +/- 4% Service Revenue. The calculations within and between the Financial Reporting Guide and the RFP are incongruent.

**Is the calculation of the 88.8% and 96.2% intended to be Total Services Expenses divided by Total Service Revenue?**

For example, Service Revenue (92.5% of Total Revenue) multiplied by 96% (allowance for 4% profit) would be 88.8 and Service Revenue multiplied by 104% (allowance for 4% stop loss) would be 96.2%.

**If the calculation is intended to be Total Service Expenses divided by Total Revenue, can you please clarify the correlation to the 4% profit limit/stop loss?**

**If the calculation is intended to be Total services Expenses divided by Total Revenue, can you please also indicate how the profit/risk corridor schedules in the Financial Reporting Guide will be modified?**

**The Financial Reporting Guide is not designed solely for Maricopa County. When the examples used in the Financial Reporting Guide for illustration purposes differ from the RFP, see Uniform Terms and Conditions, page 198, Section B3.**

**Financial Calculations**

**Question 216**

**Financial Reporting Guide**

An updated version of the Financial Reporting Guide was published on 2/12/07. On page 16 of the guide there is footnote 3 regarding calculation for Maricopa County at 80% of monthly payments. The reference is on the Maintenance of Minimum Capitalization.

**Was this footnote intended to be tied to the Performance Bond line?**

**Yes.**

**Financial Calculations**

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Financial Calculations		
<b>Question 217</b> <b>Financial Reporting Guide</b>	<p>An updated version of the Financial Reporting Guide was published on 2/12/07. On page 18 of the guide, the discussion of the performance bond notes the requirement to be 110% of the monthly payment. The RFP (pg 164) notes the requirement for Maricopa County to be 80%.</p> <p><b>Will this section of the Financial Reporting Guide be updated for the Maricopa County specific requirements?</b></p> <p><u>Yes</u></p>	<b>Financial Calculations</b>
Miscellaneous		
<b>Question 218</b>	<p>The RFP outlines a new service delivery model for behavioral health services that includes contracting with PNOs, changes to the current clinic and case management models. The proposed capitation rates are 2007 rates trended forward. Those rates were developed using the current Maricopa County service model. Therefore, the rates may not fully reflect changes in service cost and utilization that may occur in the new service model. The historical data provided by Mercer won't account for changes. There are so many uncertainties in how the new model will develop: # of PNOs, number of members who enroll on a phase in, PNO readiness (delay in phase-in), what level of risk PNOs are willing to assume. This would accomplish several goals:</p> <ul style="list-style-type: none"> <li>• Limits financial risk while the new service delivery system phases in</li> <li>• Provides stability in implementation</li> <li>• Allows the new contractor to get data to help Mercer develop a rate structure that reflects the model phase in</li> </ul> <p><b>Therefore, will DHS entertain a risk corridor for the first two years of the program for both the contractor and the PNOs?</b> AHCCCS did a similar risk mitigation strategy for the capitation rates developed when the proposition 204 population was implemented. This would not apply to the non-TXIX funding population which has limits on funding.</p> <p><b><u>The current risk arrangement for the RBHA provides protection for the RBHA and could be considered by the RBHA when developing risk arrangements with the PNOs.</u></b></p>	<b>Reimbursement/ Risk sharing</b>
<b>Question 219</b>	<p>Can the sign-in sheet from the Pre-Offer conference be posted to the ADHS website?</p> <p><b><u>Vendors may contact the ADHS Office of Procurement at (602) 542-1040 and request a copy of the Pre-Offer Sign-In sheet from 8:00 a.m. to 5:00 p.m. Monday through Friday.</u></b></p>	<b>Pre-Offer Conference Sign-In Sheet</b>

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<b>Question 220</b> Section K-2-e, Page 152 of 277	<p><b>QUESTION:</b> Can (or does) the RBHA receive an 834 file from AHCCCS (per AHCCCS 834 Companion Guide at: <a href="http://www.ahcccs.state.az.us/HIPAA/Documents">http://www.ahcccs.state.az.us/HIPAA/Documents</a> ) for Medicaid eligibles - on an "initial load" and daily update basis? <b>BACKGROUND:</b> examining the CIS Manual; specifically Section E (AHCCCS Eligibility); and the file layout for file: <b>dahcdxx.dayyyymmdd.nn</b>; this file appears to lack basic member ID information – aside from CIS and AHCCCS ID numbers. Thus the combination of using the AHCCCS Eligibility file (<b>dahcdxx.dayyyymmdd.nn</b>) with an AHCCCS 834 file would greatly improve RBHA efficiency. We understand that the RBHA needs to have direct interactive access to PMMIS when making inquiries on an individual member – <b><u>we are asking if there is (or can be) a batch eligibility load process as well?</u></b></p> <p><b><u>Neither ADHS/DBHS nor the RBHA receive an 834 from AHCCCS. The 834 is an ENROLLMENT transaction, Behavioral Health clients are NOT enrolled in AHCCCS. The AHCCCS 834 Companion Guide is for the Acute Health Plans not Behavioral Health. For Behavioral Health, the 834 transaction comes from the Provider to the RBHA, from the RBHA to ADHS/DBHS; ADHS/DBHS sends new or updated information to AHCCCS to advise them that we are possibly serving a Title XIX/XXI client. The dahcdxx.dayyyymmdd.nn is the AHCCCS response file, matching/verifying those clients who are Title XIX/XXI and are Behavioral Health eligible.</u></b></p>	<b>AHCCCS Eligibility Data</b>
<b>Proposal Content</b>		
<b>Question 221</b>	<p>The RFP requires (in the Financial Section) a chart that lists the percentage of dollars spent by category. This is supposed to be submitted with the Proposal. <b>How can we provide ADHS with this information with our proposal in March if the rates are not finalized before May of 2007?</b></p> <p><b><u>See page 156, Section M.1.</u></b></p>	<b>Proposal Submission</b>
<b>Question 222</b> Various sections	<p>The RFP requests many examples that include references of private individuals and their phone numbers. Will this information be redacted prior to making the offerors' responses public?</p> <p><b><u>Yes, only if the Offeror requests that the name and phone number be redacted.</u></b></p>	